



April 20, 2006

Governor Jennifer Granholm
State of Michigan
P. O. Box 30013
Lansing, MI 48909

Dear Governor Granholm:

I just read a newsletter from our labor attorney that reviewed the new Michigan minimum wage law. I was shocked to learn that Indian Trails, an intercity motorcoach company, was impacted far beyond the new hourly minimum wages that begin this October.

Let me start by telling you that Indian Trails' motorcoach drivers, who would be impacted under the new law, are paid a rate of \$10.85 an hour, plus they are covered by a 401(k) plan to which Indian Trails contributes 3% of their wages. The drivers enjoy a lucrative vacation pay plan and Indian Trails pays for the cost of each driver's health insurance and 50% of that driver's family health insurance. Our drivers also are covered by life insurance as well. Our drivers' wages and benefits overall are at the top of our industry in Michigan. Indian Trails bargained for these wages and benefits with a union for thirty years. The wages our drivers are paid include four, eight, and ten hour minimums. For example, if a driver worked six hours they would be paid for a minimum of eight hours.

The new minimum wage law would add the cost of overtime to our drivers' wages. As you are probably aware, the federal law has an exclusion for motorcoach drivers which excludes Indian Trails from paying overtime to our drivers.

Should this new minimum wage law stay in effect, Indian Trails will not be able to compete with all of the intercity charter motorcoach companies that reside in Ohio, Indiana, and Illinois who do business in Michigan and whom we compete with daily. The intercity charter motorcoach companies in states other than Michigan would have a decided advantage because they would not be required to pay overtime to their drivers. In effect, this new law will put Indian Trails, as well as all other Michigan based intercity charter companies, in a non-competitive position effective October 1, 2006.

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Indian Trails is pleading with you to add language to this new law which retains the exemption for overtime pay for intercity motorcoach drivers. If you do not support this legislation, Indian Trails will be forced to either move out of the state of Michigan in an effort to stay competitive with the same pay and benefits package that we have, or drastically reduce the pay for drivers to the point where we could afford to pay overtime without increasing our costs. The above alternatives are the only solutions to Indian Trails remaining competitive under the new minimum wage law that becomes effective October 1, 2006.

We look forward to your response to our concerns and stand ready to support you in rectifying this unintended, and costly, consequence.

Sincerely,

INDIAN TRAILS, INC.



Michael J. Bazelides
Executive Vice President

MJB/lg

- c: Senator Valde Garcia
Representative Richard Ball
✓Bret Marr - Muchmore, Harrington, Smalley & Associates, Inc.